

THIS IS A DRILL

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF LAND

3601 "C" Street, Suite 1080
Anchorage, Alaska 99503-5937

LAS 98-839 TIDELAND USE PERMIT

THIS PERMIT authorizes BP Oil Shipping, USA, c/o BP Exploration, PO Box 196612, Anchorage AK 99519 to the use of state-owned tide and submerged lands contiguous to the following areas:

Lands below the mean high tide line of the Southwestern Prince William Sound area.
(See attached maps)

Authorized activities are those contained in a Department of Natural Resources (DNR) approved shoreline cleanup work plan (Shoreline Evaluation) for these areas, an approved Oil Discharge Prevention and Contingency Plan (Contingency Plan), or other activities as may be approved by the DNR.

IF, a shoreline cleanup operation not covered by the Contingency Plan becomes necessary, the permittee may proceed in the above referenced locations in accordance with a shoreline cleanup workplan that has been approved by the TAG and FOSC. The DNR Authorized Officer (DNR AO), will review work plans as land manager prior to FOSC approval. Acceptance of the work plan does not imply approval of final treatment necessary to meet State standards.

WHEREAS, this permit is applicable only to tide and submerged lands under management jurisdiction of the State of Alaska, including those lands covered under AS §41.21. This permit does not authorize any access or use of adjacent uplands not under state ownership without prior permission and approval of the upland landowner.

Permittee is responsible for the accurate location of all operations conducted under this permit.

Permittee, its officers, agents, employees, contractors, subcontractors and their personnel shall indemnify and hold harmless the State of Alaska, its officers, agents and employees from all demands, claims, legal actions, losses and liabilities, including cost and expenses of any nature arising directly or indirectly from, or in any way connected with, their actions under the provisions of this permit.

Permittee, its agents, contractors and subcontractors shall be liable to the State of Alaska for any liabilities, damages, injuries, cost or expense incurred by the State of Alaska which in any way arises from or is connected with any operations, whenever such liability damage, injury, cost or expense results from any breach of the terms or conditions associated with this permit, or from any wrongful or negligent act of the permittee, its officers, agents, employees, contractors, subcontractors or their personnel.

Permittee shall comply with all applicable federal, state and local laws, regulations or ordinances thereunder, existing or hereafter adopted, affecting in any manner, shoreline cleanup operations conducted under this permit and applicable to the area herein granted.

THIS PERMIT does not authorize the use of land-based camps, staging, processing or storage facilities, or related support operations on tidelands.

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On beaches approved for bioremediation Permittee will conduct a monitoring program consistent with the State of Alaska's (SOSC) conditions as outlined by the Alaska Regional Response Team, and as approved by the FOSC.

Permittee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals, or hazardous materials into the atmosphere, ground, wastewater disposal system, sewer system, or any body of water.

In any court action or administrative proceeding, in addition to all other applicable presumptions, it shall be rebuttably presumed that any environmental contamination of the locations used has been released on location; (ii) has resulted from acts or omissions of the permittee or its agents; and (iii) has occurred during the term of this permit. The permittee has the burden of rebutting the presumptions by clear and convincing evidence.

The Department of Natural Resources' Authorized Officer (DNR-AO) or his delegated representative shall have reserved right of access to field operations as the DNR-AO deems necessary to verify compliance with this permit.

All shoreline cleanup activities, conducted under this permit, shall incorporate the timely recommendations of the State Historic Preservation Officer.

If, in connection with any of the operations authorized under this permit, Permittee, its officers, agents, employees, contractors, subcontractors or their personnel encounter any previously undiscovered paleontological, archaeological or historical sites or artifacts, operations shall be suspended on that portion of the project area, and the Director of Permittee's Cultural Resource Program shall be immediately notified and the State Historic Preservation Officer notified within 24 hours.

The Department of Natural Resources reserves the right to require a performance bond, certificate of deposit, or other form of surety, should it be deemed necessary during the course of this permit.

Permittee shall designate a Contact Person at the time of execution of this permit to serve as a representative for matters relating to this permit.

Unforeseen conditions arising during cleanup work may make it necessary to amend these special stipulations. In that event, the Department of Natural Resources' Authorized Officer and Permittee's Contact Person will attempt to agree on revisions or amendments. If they are unable to agree, the Southcentral Regional Manager of the Department of Natural Resources' Division of Land shall have full authority to determine those revisions or amendments to be made.

Permittee shall take all reasonable precaution to prevent and suppress brush and forest fires. No material shall be disposed of by burning in open fire during the closed season unless a permit therefor has first been obtained from the agency empowered by law to issue such permits.

Prior to any construction or development that will use, divert, obstruct, pollute or utilize any of the waters of the state, the permittee shall first obtain approval therefor from the Commissioner of the Department of Fish and Game and file an image copy thereof with the grantor.

Upon expiration or termination of this authorization, the lands shall be restored to a condition acceptable to the Authorized Officer.

The operations conducted under this permit are found to be consistent with the Alaska Coastal Management Program provided that operations are in compliance with an approved Contingency Plan or approved shoreline cleanup work plans and have been subject to State agency review.

THIS PERMIT expires at midnight on November 15, 1998.

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BP Oil Shipping Company, USA

Date

Regional Manager, Authorized Officer
Department of Natural Resources
Division of Land

Date

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